

P 161918Z JUL 09  
FM AMEMBASSY PORT AU PRINCE  
TO SECSTATE WASHDC PRIORITY 0135  
INFO HAITI COLLECTIVE PRIORITY  
AMEMBASSY SANTO DOMINGO

UNCLAS PORT AU PRINCE 000646

STATE FOR WHA/EX AND WHA/CAR  
S/CRS  
SOUTHCOM ALSO FOR POLAD  
STATE PASS AID FOR LAC/CAR  
INR/IAA  
WHA/EX PLEASE PASS USOAS

E.O. 12958: N/A

TAGS: [ECON](#) [ENRG](#) [EAID](#) [EAGR](#) [EINV](#) [ETRD](#) [BEXP](#) [HA](#)

SUBJECT: HAITI ECONOMIC UPDATE FOR JULY 1 TO JULY 10, 2009

¶1. (U) Summary. This is a report on a variety of topics of interest which do not merit full reporting cables. End summary.

¶2. (U) The Minister of Finance announced a price increase for 91 and 95 octane gasoline. The price of gasoline 91 rose 18 percent from HTG 163 to HTG 192 (USD 3.98 to USD 4.68), and gasoline 95 is up 17 percent from HTG 168 to HTG 197 (USD 4.10 to USD 4.80).

¶3. (U) Canada forgives USD 1.9 million in Haitian debt. The announcement was made in Chile by Canadian Finance Minister Jim Flaherty during a meeting with the Governors of the Inter-American Development Bank (IDB) and the finance ministers of Latin America and the Caribbean.

¶4. (U) The International Monetary Fund (IMF) has extended the Poverty Reduction and Growth Facility (PRGF) program in Haiti through January 2010 by providing an additional loan of USD 24.5 million.

¶5. (U) Air Caraibes, a French airline operating in the Antilles, is initiating a new twice-weekly flight from Paris to Port-au-Prince via Saint Martin. The flight is scheduled to arrive/depart on Tuesdays and Saturdays beginning December 12.

¶5. (U) Remittances decreased in May. According to Haitian Central Bank estimates, remittances fell by 19 percent in May compared to April 2009. Remittances totaled USD 668 million from October 2008 to May 2009, a two percent decline from the same period last year.

¶6. (U) Bilateral creditors cancel Haiti's debt. The Paris Club canceled USD 62.73 million in debt owed by Haiti. In addition, the Club has reached a bilateral agreement with Haiti to cancel an additional USD 152 million of debt, making a total of USD 214.73 million in bilateral debt cancellation.

¶7. (U) Six months into the calendar year, as required by the Haitian Constitution, the GoH submitted the 2010 draft National Budget to the Lower House of Parliament. The proposed budget for 2010 totals HTG 88.9 billion (USD 2.17 billion), a 10.6 percent increase over the previous year. The majority of the budget is designated for the Executive Branch which covers all the ministries. External budgetary support accounts for 57 percent, 3 percent less than the previous year, and GoH revenues are expected to increase by 16 percent. Working sessions on the 2010 budget are scheduled to begin July 14 in the Lower House.

¶8. (U) The first Haiti Jatropha Stakeholders' Conference on June 23-24 facilitated discussion on bio-energy among farmers, the private sector, NGOs, donors, and the GoH. Peasant representatives demonstrated against the conference, claiming that Jatropha farming would exacerbate Haiti's food insecurity by cultivating on already scarce land. Participants on both sides of the debate engaged in open discussion of the potential risks and opportunities that Jatropha and biofuels present for the development of Haitian industry and society, pushing the government to institute a legal framework addressing agro-energy.